

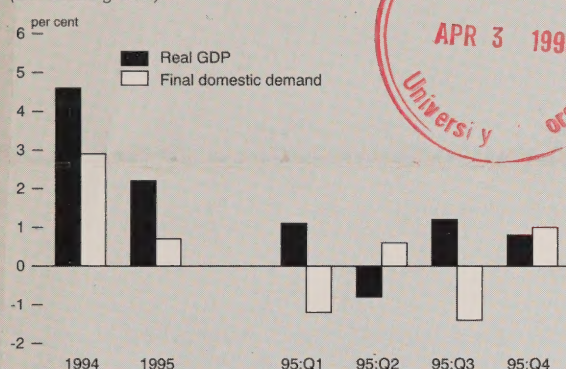
# Government of Canada Securities

A Publication of the Department of Finance

March 1996

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**Real GDP, final domestic demand**  
(annualized growth)



## Selected Canadian economic statistics

	1994	1995	1995			
			Q1	Q2	Q3	Q4
<b>Annualized growth rates</b>						
Real gross domestic product	4.6	2.2	1.1	-0.8	1.2	0.8
GDP excluding inventories	4.3	1.8	-2.1	-1.0	2.7	2.6
Final domestic demand	2.9	0.7	-1.2	0.6	-1.4	1.0
Employment	2.1	1.6	1.0	0.5	0.6	1.1
<b>Other</b>						
Unemployment rate	10.4	9.5	9.7	9.5	9.5	9.4
Current account balance (per cent of nominal GDP)	-3.0	-1.7	-2.3	-2.4	-1.3	-0.6

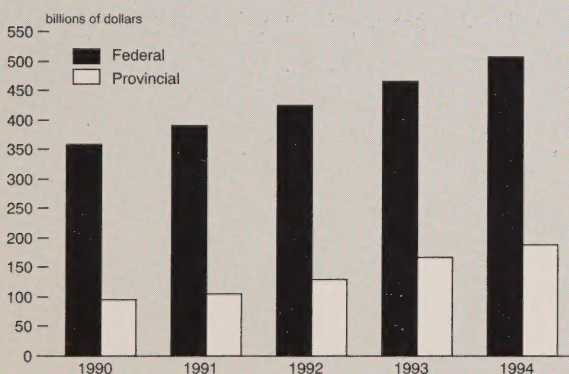
Source: Statistics Canada.

**International CPI inflation comparisons**  
(per cent change in CPI)

	Average annual growth					1995											
	1991	1992	1993	1994	1995	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Canada	5.6	1.5	1.8	0.2	2.1	0.6	1.8	2.2	2.5	2.9	2.7	2.5	2.3	2.3	2.4	2.1	1.7
United States	4.2	3.0	3.0	2.6	2.8	2.8	2.9	2.9	3.1	3.2	3.0	2.8	2.6	2.5	2.8	2.6	2.5
Germany	3.5	5.1	4.5	2.7	1.8	2.1	2.0	1.9	2.1	1.8	1.9	1.9	1.5	1.7	1.7	1.6	1.5
Japan	3.3	1.7	1.3	0.7	0.0	0.6	0.2	-0.4	-0.2	0.0	0.3	0.1	-0.2	0.2	-0.6	-0.7	-0.3

Sources: Statistics Canada, OECD, Department of Finance.

**Canadian public sector debt**  
(as of March 31)



## Representative Canadian interest rates

	1994	1995					
		Q1	Q2	Q3	Q4	Jan	Feb
Bank rate	5.77	8.41	7.59	6.72	6.50	5.37	5.50
Chartered bank prime rate	6.88	9.50	9.25	8.08	7.75	7.25	7.00
3-month Treasury bills	5.52	8.17	7.33	6.52	6.18	5.12	5.21
10-year Canada bonds	8.42	8.89	8.00	8.05	7.39	7.01	7.53
30-year Canada bonds	8.69	9.01	8.32	8.45	7.85	7.64	8.08

## Canada-U.S. interest rate differentials

	1994	1995					
		Q1	Q2	Q3	Q4	Jan	Feb
3-month Treasury bills	1.07	2.27	1.61	1.05	0.87	-0.04	0.22
10-year Canada bonds	1.31	1.47	1.54	1.70	1.54	1.43	1.43

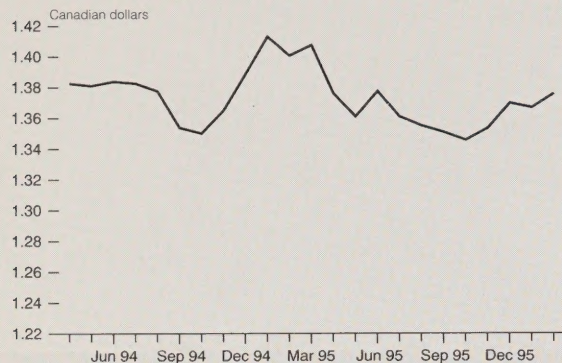
Sources: Bank of Canada, Department of Finance.



# Government of Canada Securities

## Exchange rate

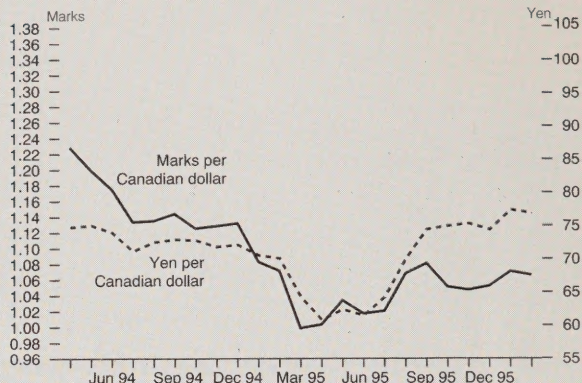
(Canadian dollars per U.S. dollar)



Source: Bank of Canada Review.

## Exchange rates

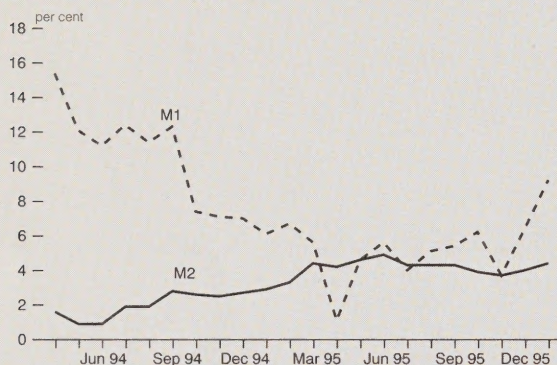
(Marks and yen per Canadian dollar)



Source: Bank of Canada Review.

## Canadian monetary aggregates

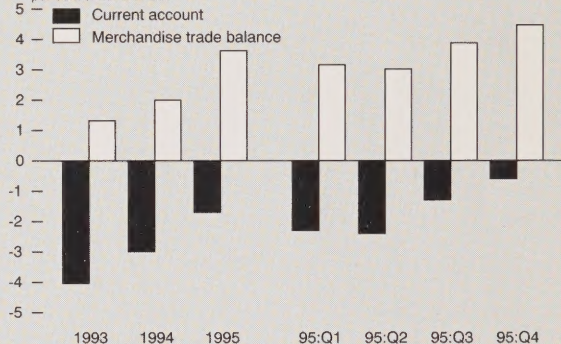
(year-over-year percentage growth)



Source: Bank of Canada Review.

## Canada's current account balance and merchandise trade balance

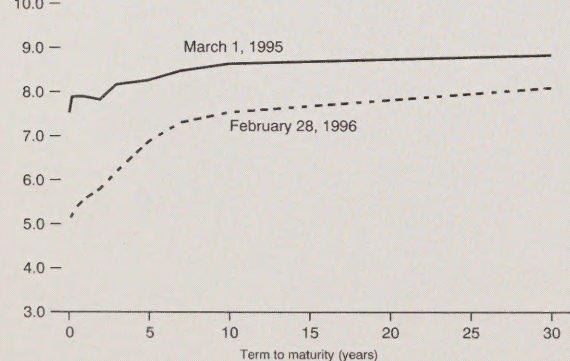
(per cent of nominal GDP)



Source: Statistics Canada.

## Canadian yield curve

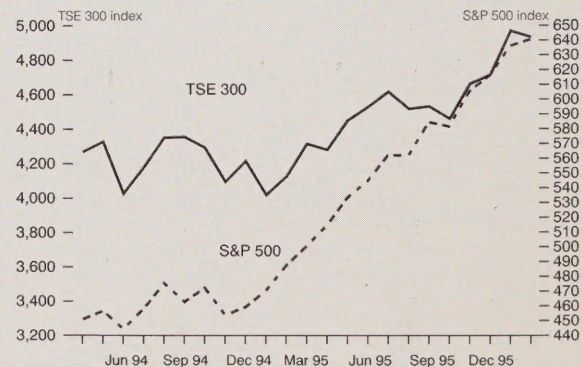
(per cent)



Sources: Bank of Canada Review, Department of Finance.

## Stock market averages

(Canada and the U.S.)



Source: Bank of Canada Review.



# Government of Canada Securities

## Upcoming dates of interest

First quarter national accounts release – May 31, 1996

## Government of Canada bond market benchmarks, March 6, 1996

Term	Maturity	Coupon	Amount outstanding	Yield Mar 6/96
		(%)	(millions of dollars)	(%)
<b>Fixed coupon:</b>				
2-year	Mar 15/98	6.00	5,700	5.91
3-year	Nov 1/98	8.00	5,100	6.16
5-year	Mar 1/01	7.50	9,400	6.79
10-year	Dec 1/05	8.75	8,000	7.47
30-year	Jun 1/25	9.00	8,900	8.03
<b>Real return:</b>				
30-year	Dec 1/21	4.25	5,175	4.86

The normal bid-ask spread on these bonds is 5 cents.

Source: Department of Finance.

## Forthcoming Government of Canada bond auctions

Type of issue	Auction/offering date (1996)	Further details of issue (1996)	Dated and delivered (1996)	Amount maturing (millions of dollars)
Bond auction	Apr 3	Mar 28	Apr 15	—
30-year auction*	Apr 24	Apr 18	May 1	3,300
10-year auction*	May 8	May 2	May 15	—
5-year auction*	May 22	May 16	Jun 3	2,175
RRB auction**	May 29	May 23	Jun 6	—
2-year auction*	Jun 5	May 30	Jun 17	—

\*Quarterly issue.

\*\*Single-price auction format.

## Recent Government of Canada bond auction results

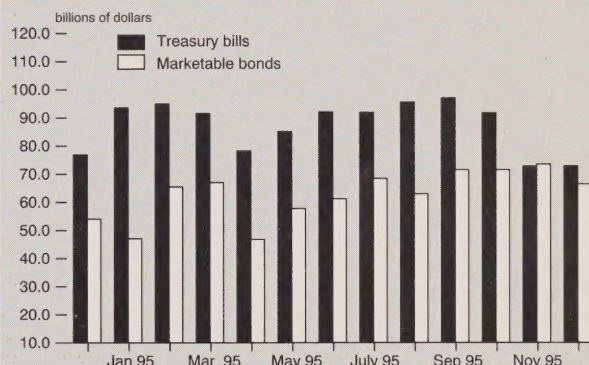
Auction date	Term (years)	Maturity date	Coupon rate (%)	Issue amount (millions of dollars)	Auction coverage
Dec 20/95	5	Mar 1/01	7.50	2,100	2.5
Jan 17/96	30	Jun 1/25	9.00	1,250	2.2
Jan 31/96	10	Dec 1/06	7.00	2,200	2.3
Feb 14/96	5	Mar 1/01	7.50	2,600	2.3
Feb 28/96	30	Dec 1/26	4.25*	350	2.7
Mar 6/96	2	Mar 15/98	6.00	2,900	2.5

Coverage is defined as the ratio of total bids at auction to the amount auctioned.

\*Real Return Bonds.

Source: Department of Finance.

## Government of Canada Treasury bills and bonds (market trading, average of Wednesdays)



Source: Bank of Canada Review.

## Outstanding Government of Canada Treasury bills, bonds (by term to maturity), and Canada Savings Bonds (as of February 28, 1996)

Treasury bills	Marketable bonds					Canada Savings Bonds	Total	
	0 – 2 years	2 – 5 years	5 – 10 years	10 – 20 years	20 – 30 years			Total
(billions of dollars)								
158.7	38.6	68.4	79.2	34.0	31.6	251.8	31.0	441.5

Sources: Bank of Canada, Department of Finance.

## Government of Canada long-term credit ratings (as of February 29, 1996)

Moody's Investor Service: Aa1 (Canadian dollar debt)  
Aa2 (Foreign currency debt)

Standard & Poor's: AAA (Canadian dollar debt)  
AA+ (Foreign currency debt)

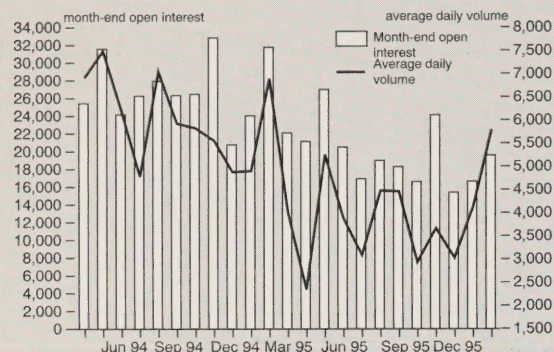
Dominion Bond Rating Service: AAA (Canadian dollar debt)  
AA (high) (foreign currency debt)

Canadian Bond Rating Service: AA+

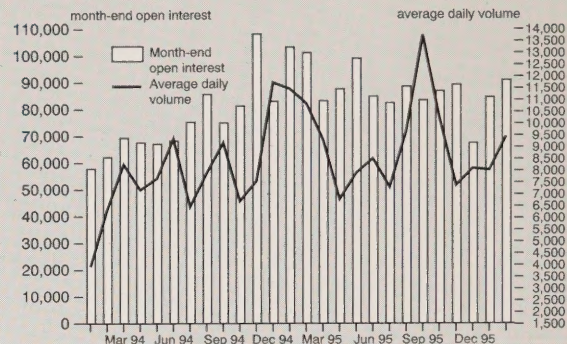


# Government of Canada Securities

## Ten-year Government of Canada bond futures



## Three-month Bankers Acceptance futures



## Government of Canada budgetary deficit

	(billions of dollars)
1992-93 fiscal year	41.0
1993-94 fiscal year	42.0
1994-95 fiscal year	37.5
1995-96 fiscal year	32.7
1996-97 fiscal year (Budget: March 6, 1996)	24.3

Source: Department of Finance.

## Government of Canada marketable debt issues (April 1, 1995 to February 29, 1996)

	Treasury bills	Marketable bonds
	(billions of dollars)	
Gross issues	357.2	42.9
Maturities	361.3	17.6
Net issues	-4.1	25.3

Source: Department of Finance.

## Forthcoming Government of Canada marketable bond maturities

	(millions of dollars)
April to June 1996	5,475
July to September 1996	8,955
October to December 1996	3,425
January to March 1997	8,200
April to June 1997	876

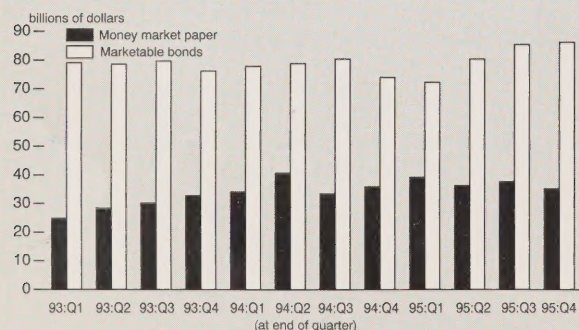
Source: Department of Finance.

## Outstanding Government of Canada/ U.S. dollar-denominated debt (as of February 29, 1996)

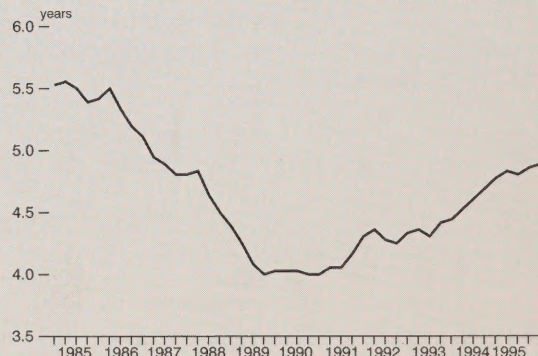
	(millions of U.S. dollars)
Canada bills	3,686
Floating rate note maturing February 1999 (paying LIBOR less 25 basis points)	2,000
6½% notes maturing July 7, 1997	2,000
6½% bonds maturing May 30, 2000	1,500
6% bonds maturing July 21, 2005	1,500

Source: Department of Finance.

## Foreign holdings of Government of Canada securities



## Average term to maturity of Government of Canada marketable debt



Except as noted, the information in **Government of Canada Securities** is based upon data available as of February 29, 1996.  
For further information, contact Nigel Stephens at (613) 943-1944. Cet imprimé est également offert en français.



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